Adam R. Fox (State Bar No. 220584) 1 Adam.Fox@squiresanders.com SQUIRE SĂNDERS (US) LLP 2 555 South Flower Street, 31st Floor Los Angeles, CA 90071 3 FILED +1.213.624.2500 CLERK, U.S. DISTRICT COURT Telephone: Facsimile: +1.213.623.4581 4 NOV - 8 2013 5 Joseph A. Meckes (State Bar No. 190279) Joseph. Meckes@squiresanders.com CENTRAL DISTRICT OF CALIFORNIA Thomas E. Gaynor (State Bar No. 218495) Thomas.Gaynor@squiresanders.com 6 SQUIRE SÁNDERS (US) LLP 7 275 Battery Street, Suite 2600 San Francisco, CA 94111 Telephone: +1 415 954 0200 8 +1 415 393 9887 Facsimile: 9 Attorneys for Plaintiff 10 BREVILLE USA, INC. 11 UNITED STATES DISTRICT COURT 12 CENTRAL DISTRICT OF CALIFORNIA 13 Case GV 13-08324 - 1/ATWX 14 BREVILLE USA, INC., a California corporation, 15 COMPLAINT FOR DAMAGES AND Plaintiff, INJUNCTIVE RELIEF FOR FALSE 16 ADVERTISING IN VIOLATION OF VS. (1) THE LANHAM ACT (15 U.S.C. 17 § 1125(a)), AND (2) CALIFORNIA'S UNFAIR COMPETITION LAW (CAL. HUROM L.S. CO., LTD, a Korean corporation; HUROM AMERICA, INC., a California corporation; 18 BUS. & PROF. CODE § 17500, *ET* HUROM USA, INC., a California corporation; and ROLAND PRODUCTS, INC., a California SEQ.) 19 JURY TRIAL DEMANDED 20 corporation 21 Defendants. 22 23 24 25 26 27 28

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Breville USA, Inc. ("Breville") hereby alleges as follows.

INTRODUCTION

- 1. During the last several decades, as obesity and other health problems have reached record highs, many American consumers have grown more health conscious. Substantial numbers of consumers have increasingly sought ways to prepare and consume a greater variety of raw, unprocessed and natural food at home. This trend in consumer preferences has increased the demand for kitchen appliances designed to maximize the natural vitamins, minerals and other nutrients that one can extract from fruits and vegetables at home.
- 2. Innovative Australian kitchen appliance maker Breville Pty. Ltd. was an early pioneer of this wave with its acclaimed line of Juice Fountain® fruit and vegetable juicers. Today, Juice Fountain® juicers are among the most popular fruit and vegetable juicers in the world and are sold exclusively in the United States by plaintiff Breville, which is Breville Pty. Ltd.'s American affiliate.
- 3. To acknowledge variations in consumer preferences, Breville's Juice Fountain® product line includes different kinds of fruit and vegetable juicers, including both "centrifugal" and "masticating" juicers. Centrifugal juicers employ high-speed motors that spin a mechanism that grates and grinds fruits and vegetables into tiny particles, and separates juice from the pulp by the resulting centrifugal force. Masticating juicers, on the other hand, employ relatively slow-speed motors to drive a screw-like auger that literally squeezes juice from a fruit or vegetable. Although centrifugal and masticating juicers may produce juices with distinct textures, they are substitutes for and compete directly with one another. Indeed, the nutritional content and yield of the juice obtained is essentially the same regardless of the juicer type employed.
- 4. Defendant Hurom L.S. Co., Ltd. ("Hurom Korea") decided to market its so-called "Hurom Slow Juicers," a competing line of masticating juicers, by advertising the false and misleading claim that these masticating juicers extract and

preserve more vitamins, minerals, enzymes and other nutrients than competitive centrifugal juicers, and that they do so more quickly and efficiently.¹

5. This marketing campaign has increasingly and progressively become the centerpiece of an anticompetitive effort to portray the supposed superiority of the Hurom Slow Juicers in a way that is both false and misleading. It bears noting that this campaign has coincided with the growing placement and availability of the Hurom Slow Juicers in hundreds of retail and on-line outlets across the country, including throughout California. The false and misleading claims about the Hurom Slow Juicers have thus allowed the Defendants to enjoy unjustly inflated market share and profits at the expense of manufacturers and distributors of centrifugal juicers, particularly a market leader like Breville.

JURISDICTION AND VENUE

- 6. The Court has jurisdiction over the subject matter of this Complaint because it includes a claim of false advertising under the Lanham Act, 15 U.S.C. §§1051, *et seq.*, including 15 U.S.C. §1121, which expressly provides that claims arising thereunder are subject to federal subject matter jurisdiction. This Court also has subject matter jurisdiction pursuant to 28 U.S.C. §§1331 and 1338.
- 7. Venue is proper in this District pursuant to 28 U.S.C. §1391(a) because a substantial part of the events or omissions giving rise to Plaintiff Breville's claims occurred in this District and because defendants Hurom America, Inc., Hurom USA, Inc. and Roland Products, Inc., each have their principal places of business in this District.

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The term "Hurom Slow Juicers" in this Complaint refers collectively to the Hurom-brand Slow Squeeze Juicer (HJ Series), Original Slow Juicer (HU-100 Series), Hurom Premium Slow Juicer (HU Series), Slow Juicer for 110V Cold Press Juicer (HE Series), Fresh Press Juicer (JP Series), Premium Slow Juicer / Smoothie Maker (HH and HG Series) and other models sold under the name "Hurom Slow Juicers." Breville adopts Hurom's use of the term "Hurom Slow Juicers" to refer to this product line.

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PARTIES

- 8. Plaintiff Breville is a corporation organized under the laws of the State of California, having its principal place of business in Torrance, California. Breville is the exclusive distributor in the United States of Breville®-branded kitchen appliances, including the Breville Juice Fountain® line of high-speed, centrifugal and masticating juicers.
- 9. Defendant Hurom Korea is a Korean corporation with its principal place of business in Gimhae City, Republic of Korea. Hurom Korea manufactures Hurom Slow Juicers in Korea and distributes them around the world, including in the United States through defendants Hurom USA, Inc. ("Hurom USA"), Hurom America, Inc. ("Hurom America") and Roland Products, Inc. ("Roland" or, collectively with Hurom Korea, Hurom USA and Hurom America, simply "Hurom"). Breville is informed and believes based on the interrelationship between these companies and their apparent concerted enterprise that Hurom Korea directs and controls the marketing of the Hurom Slow Juicers and is ultimately responsible for the content of the advertisements that are the subject of this Complaint.
- 10. Defendant Hurom USA is a California corporation. Breville is informed and believes that Hurom USA has its principal place of business in Torrance, California and that it acts as a corporate agent and marketing agent for Hurom Korea in California as well as a distributor of the Hurom Slow Juicers in California and the United States. Hurom USA is listed as the "Corporate office" for Hurom Korea in the United States on Hurom Korea's website.²
- Defendant Hurom America is a California corporation. Breville is 11. informed and believes that Hurom America has its principal place of business in Los Angeles, California and that it acts as a corporate agent and marketing agent for

² http://www.hurom-slowjuicer.com/eng/company_3.html.

Hurom Korea in California as well as a distributor of the Hurom Slow Juicers in
California and the United States.

12. Defendant Roland is a California corporation with its principal place of business in Los Angeles, California. Roland acts as a distributor and marketing agent of the Hurom Slow Juicers in California and the United States. On its website, Roland claims to be "the North American Distributor for Hurom."

FACTUAL BACKGROUND

- 13. Breville is the exclusive United States distributor of Breville®-branded small kitchen electrics and appliances, such as espresso machines, toasters, breadmakers, and food processors as well as centrifugal fruit and vegetable juicers, which are at the center of this controversy. The Breville® brand is considered one of the most premium and innovative kitchen electrics and appliance brands in the world.
- 14. Breville's best-selling products include its market leading Juice Fountain® line of high-speed, centrifugal fruit and vegetable juicers. First introduced in the United States in 2003, Breville has sold over 2.3 million Juice Fountain® centrifugal juicers in the United States, and the Breville® brand is considered synonymous with high quality fruit and vegetable juicers both in America and throughout the world.
- 15. Defendant Hurom Korea markets the Hurom Slow Juicers in the United States through defendants Hurom America, Hurom USA and Roland, which act as distributors and/or advertisers of the Hurom Slow Juicers. The Hurom Slow Juicers are sold at hundreds of retail establishments across the United States, including over 100 sites within California and several dozen sites in this District.
- 16. Hurom Korea introduced the Hurom Slow Juicers in the United States market in or around 2010. At some point after Hurom Korea began selling the Hurom Slow Juicers in the United States, Hurom began a campaign of false

³ http://www.slowjuicer.com/contactus-4.html.

advertising apparently intended to deceive consumers into believing that the Hurom Slow Juicers offer nutritional and economic benefits that are not found in competing centrifugal juicers.

- 17. As discussed in further detail below, Hurom's advertising campaign relies extensively on false or misleading claims that Hurom Slow Juicers are more effective at extracting nutrients, that they preserve nutrients better than centrifugal juicers, and that Hurom Slow Juicers are more efficient than centrifugal juicers because they extract more juice from the same amount of fruit or vegetable juicers in less time.
- 18. Hurom's false advertising campaign is carried out on various media, including, among other places, the following Hurom websites:
 - www.hurom-slowjuicer.com (hereinafter, the "Hurom Korea Website"), which Breville is informed and believes is operated by defendant Hurom Korea;
 - www.usa.hurom.com (hereinafter, the "Hurom America Website"),
 which Breville is informed and believes is operated by defendants
 Hurom America and Hurom USA under the direction of Hurom Korea;
 and
 - www.slowjuicer.com (hereinafter, the "Slow Juicer Website"), which Breville is informed and believes is operated by defendant Roland under the direction of Hurom Korea.

The Hurom Korea Website, the Hurom America Website and the Slow Juicer Website are referred to collectively as "the Websites." Breville is informed and believes that the content of the Websites is under the common control of Hurom.

19. Hurom has also advertised the Hurom Slow Juicers through video advertisements available on YouTube and other video websites, through product brochures and on the actual packaging of the product itself. Hurom's false or misleading claims about the qualities of its Hurom Slow Juicers are then regularly

repeated by third-party retailers and on-line distributors of the Hurom Slow Juicers in their own advertisements, which often adopt Hurom's false claims verbatim. As a result, Hurom's false or misleading claims have now become widely adopted by consumers of juicers—including both the retail and online outlets that make decisions about which products to promote and sell, as well as the ultimate endusing consumers of such fruit and vegetable juicers.

Hurom Falsely Claims Juice Made With Hurom Slow Juicers Has Higher Nutrient Content

- 20. A central tenet of Hurom's false advertising campaign is the notion that that the "slow juicing" technology embodied in the Hurom Slow Juicers is significantly better than centrifugal juicers at extracting or preserving vitamins, minerals, enzymes and phytonutrients. This is false. The truth is that juice extracted using the Huron Slow Juicer is comparable in nutrient concentration to juices extracted with centrifugal juicers.
- 21. By way of illustration, on the Slow Juicer Website (www.slowjuicer.com), Hurom repeatedly and falsely claims that the Hurom Slow

Juicers are superior because their juicing technique, unlike that of centrifugal juicers, "is proven to keep more vitamins and minerals intact . . . because there is no heat and less friction or damage during the juicing process." Hurom likewise repeatedly and falsely claims that the Hurom Slow Juicers is superior



More Vitamins

HUROM® is proven to keep more vitamins and minerals intact than highspeed juicers because there is no heat and less friction or damage during the juicing process; HUROM® also minimizes damage to live enzymes.

Example of nutritional claims made on Slow Juicer website.

because it releases "deep-seated nutrients and enzymes" and "breaks up more of the phytonutrients, resulting in a richer colored juice that retains more vitamins and minerals." Hurom further claims that, unlike centrifugal juicers, the Hurom Slow Juicers "eliminat[e] oxidation," which "preserves the precious enzymes and

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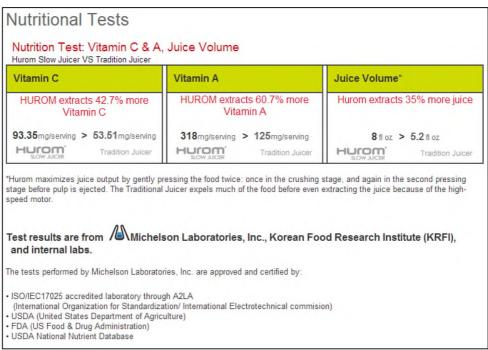
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nutrients that are closest to its natural form." According to Hurom's false advertising, the Hurom Slow Juicers "extract[] the most flavor and nutrients from any kind of fruit or vegetable."5

22. To support its spurious claims that the Hurom Slow Juicers make nutritionally superior juice, the Slow Juicer Website purports to cite "nutritional tests" that are "approved and certified" by both the United States Food and Drug Administration and the United States Department of Agriculture. According to the Slow Juicer Website, these tests show that juice made with the Hurom Slow Juicers has significantly higher concentrations of both Vitamin C and Vitamin A:⁶



These claims on the Slow Juicer Website are literally false and misleading.

23. The Hurom America Website (www.usa.hurom.com) makes similar, false claims about the Hurom Slow Juicer's ability to extract juice with higher concentrations of vitamins minerals and other nutrients.

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⁴ http://www.slowjuicer.com/slowjuicer-1.html http://www.slowjuicer.com/slowjuicer-2.html 28

http://www.slowjuicer.com/slowjuicer-4.html

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24. Like the Slow Juicer 1 Website, the Hurom America 2 3 Website also states unequivocally that juice made 4 with the Hurom Slow Juicers 5 contains significantly more 6 Vitamin C and Vitamin A than 7 8 those juices made with centrifugal juicers.⁷ These 9 claims are also literally false and 10 misleading. 11

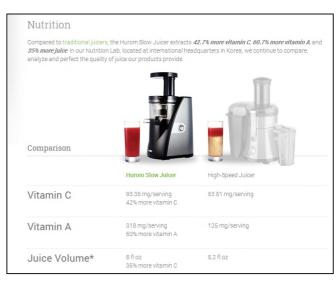


Illustration from Hurom America Website

- 25. The Hurom America Website makes numerous other literally false or misleading statements regarding the purported health benefits of using the Hurom Slow Juicers including:
 - That the Hurom Slow Juicers (in contrast to other juicers) "keep[] juice at a low temperature to retain vital nutrients." 8
 - That the Hurom Slow Juicer's complete lack of "shock, less friction and low temperatures result in less oxidation and separation."9
 - That the Hurom Slow Juicer's "slow squeezing unlocks more goodness - from beneficial enzymes to phytonutrients." ¹⁰
 - That the Hurom Slow Juicers "extract[] the most flavor and nutrients from any kind of fruit or vegetable."11
 - That the Hurom Slow Juicers produce "more juice, more vitamins, more value." 12

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http://usa.hurom.com/nutrition.

http://usa.hurom.com/juicing-technology.

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That Hurom's nutrition claims are subject to extensive, rigorous "tests and analysis" at Hurom's own "top-notch nutrition lab." ¹³

- 26. The Hurom Website (www.hurom-slowjuicer.com) contains similar false or misleading claims about the purported health benefits of juice made with the Hurom Slow Juicers. Like the other Websites, the Hurom Website falsely claims that the Hurom Slow Juicers produce juice from fruit and vegetables with substantially more nutrients than centrifugal juicers. For example, in explaining the benefits of the Hurom Slow Juicers, Hurom falsely claims that "Low Speed Squeeze Juice contains 5 times more vitamin C than high speed juicer." ¹⁴
- Hurom also engages in false advertising through the use of videos 27. produced by Hurom and made available to the public for viewing on video sites like YouTube. These video advertisements repeat Hurom's literally false and misleading claims that the Hurom Slow Juicers provide significant nutritional benefits over centrifugal juicers. By way of example, videos produced by Hurom claim:
 - "Hurom's slow squeezing system, in contrast [to centrifugal juicers] does not cause friction or impact to the raw ingredients, and voila, the result: a glass of juice rich in natural flavors as well as nutrients."¹⁵
 - Centrifugal juicers introduce "air bubbles" that purportedly "accelerate the oxidation process."16
 - The Hurom Slow Juicers "do[] not damage the raw ingredients with frictional heat."17

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http://www.youtube.com/watch?v=TrcmsMnzgms at 2:21.
http://www.youtube.com/watch?v=XXTEPUggyuw at 0:29.

- There is "frictional heat" and "impact" caused by centrifugal juicers which "makes juice lose its natural and rich taste, flavor, nutrients and color." 18
- Using the Hurom Slow Juicers results in "juice with 5 times more vitamins then (sic) a standard juicer." ¹⁹

Like the claims on the Websites, the claims in these video advertisements are false and are intended to deceive consumers into believing that juice made with a Hurom Slow Juicers contains considerably more nutrients than juice made using centrifugal juicers, thereby affecting their ultimate product purchase and informing their buying decisions.

- Hurom makes similar claims on its product packaging, which is displayed to consumers at retail locations through the physical point of sale merchandise and product displays. For example, the Hurom Slow Juicers' box²⁰ is printed to include the following:
 - The Hurom Slow Juicers are "proven to keep more vitamins and minerals intact than high-speed juicers because there is no heat and less friction and damage during the juicing process."
 - The Hurom Slow Juicers method "keeps more vitamins than with other juicers."
 - The Hurom Slow Juicers "slowly and gently press[] the juice keeping more of the super nutritious enzymes, minerals and vitamins alive and well."
 - "The unique Hurom Slow Squeezing System extracts the most nutrients, enzymes and flavors from fruit, vegetables and leafy greens."

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http://www.youtube.com/watch?v=XXTEPUggyuw at 1:51.
http://www.youtube.com/watch?v=XXTEPUggyuw at 3:29.
Packaging for HH-WBB07 Hurom Premium Slow Juicer / Smoothie Maker.

- 29. Hurom's numerous, detailed claims that Hurom Slow Juicers are more effective than centrifugal juicers in extracting vitamins, minerals, enzymes and/or phytonutrients are literally false and misleading. The nutritional content of juice made using the Hurom Slow Juicers is about the same for most commonly juiced fruits and vegetables as juice made with centrifugal juicers. Moreover, actual testing discloses that the juice produced using the Hurom Slow Juicers often contains fewer nutrients than juice made using centrifugal juicers, contrary to Hurom's claims.
- 30. Hurom's claims that nutrients are somehow destroyed in any significant amount in juice made using a centrifugal juicer are also literally false and misleading. There is no scientific support for Hurom's baseless claims that the "frictional heat," "impact" or "oxidation" from centrifugal juicing significantly compromises the nutritional properties of fruit or vegetable juice made with centrifugal juicers as compared to the Hurom Slow Juicers.
- 31. Hurom is aware that the target demographic market for fruit and vegetable juicers consists of consumers who are highly health conscious. Accordingly, Breville is informed and believes that Hurom embarked on its literally false and misleading advertising campaign with the willful intent to mislead and deceive consumers into believing that the Hurom Slow Juicers would provide health and nutritional benefits superior to those of centrifugal juicers, such as Breville's Juice Fountain® line, and thereby falsely justify a retail price substantially higher than is typical for most centrifugal juicers.

Hurom Falsely Claims that Hurom Slow Juicers Make Juice Faster
Than High-Speed Centrifugal Juicers

32. As an additional anticompetitive marketing ploy, the Websites and other advertising materials produced by Hurom claim that the Hurom Slow Juicers ironically produce juice faster than most higher-speed juicers. For example, on the Slow Juicer Website, Hurom states: "[D]on't let the name fool you. The Slow

Juicer actually juices faster than most typical juicers " Hurom makes identical claims in its users' manuals in providing an overview of the benefits of using the Hurom Slow Juicers.

- 33. To add a false patina of factual support for this claim, Hurom has published numerous advertising videos purporting to show the Hurom Slow Juicers being operated and compared to a competitive centrifugal juicer.²¹ The demonstrations in these videos, however, appear to be intentionally manipulated such that the operator of the comparison juicer appears to be trying to minimize the juice output through the operator's actions, rather than any inherent function or design.
- 34. Contrary to Hurom's false claims, when used appropriately, centrifugal juicers are typically much faster at extracting juice than the Hurom Slow Juicers. Based on these facts, Breville is informed and believes that Hurom is aware that the Hurom Slow Juicers are not superior in speed to "typical" juicers, and intentionally or recklessly advertises a contrary false statement to overcome potential consumer perceptions that a "slow" juicer will produce juice more slowly and therefore will be less convenient to use than centrifugal juicers.

Hurom Falsely Claims That Users of Hurom Slow Juicers Enjoy Higher Juice **Yields**

- 35. Literally false and misleading claims that the Hurom Slow Juicers provides "more juice" than centrifugal juicers also figure prominently in Hurom's advertising.
- Hurom asserts repeatedly on the Websites that the Hurom Slow Juicers provide higher juice yield than competitors' juicers. For example, the Slow Juicer Website makes general claims that the Hurom Slow Juicers "expel[] significantly more juice from the same foods, with much drier pulp" ²² and "extract the most

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 $^{^{21}\} For\ example,\ the\ video\ at\ http://www.youtube.com/watch?v=RGqeXrCMFHA\ purports\ to$ show a side-by-side comparison of the Hurom juicer with a centrifugal juicer. http://www.slowjuicer.com/slowjuicer-1.html.

juice using the least amount of food, saving on grocery bills."²³ According to Hurom, the Hurom Slow Juicers "extract[] 35% more juice" than the "traditional" centrifugal juicer because the "Traditional Juicer expels much of the food before even extracting the juice because of the high-speed motor."²⁴

A similar claim appears on Hurom America Website where Hurom 37. states that Hurom Slow Juicer's "specially designed auger squeezes out 35% more juice" (alongside its familiar claims of superior nutrition):²⁵



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Slow Squeezing Technology (SST)

Juice that's gently squeezed, not chopped by high speed rotating blades, results in purer juice and better nutrition. Hurom's Slow Squeezing Technology preserves more nutrients, more minerals, more enzymes and more flavor. Our patented Slow Squeezing Technology is the result of over 40 years of juicing and nutritional research. In addition to delivering a more flavorful glass of juice, our technology keeps juice at a low temperature to retain vital nutrients.

- More juice! The specially designed auger squeezes out 35% more juice
- More appealing juice! No shock, less friction and low temperatures results in less oxidation and separation.
- Healthier juice! Slow squeezing unlocks more goodnessfrom beneficial enzymes to phytonutrients

Hurom also claims on the Hurom Slow Juicer's product packaging that 38. its "cold pressing" and "squeezing" method "yields significantly more juice [and] drier pulp." The opposite side of the packaging reiterates, "You get more juice out of a Hurom® due to its patented dual-stage "Slow Squeezing System" that works like a mortar and pestle." ²⁶

- 39. Hurom has made similar claims in its video advertisements, in product brochures and in instruction manuals. Hurom has also made these or similar claims to retailers and resellers of the Hurom Slow Juicers, and retailers and resellers have then repeated such claims in their own advertising of the Hurom Slow Juicers.
- Hurom's unqualified claims that its juicer yields "35% more juice" or 40. "significantly more" than other juicers or "the most juice" are literally false and misleading. It is well known that different types of juicers yield more or less juice

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²³ http://www.slowjuicer.com/slowjuicer-2.html.

http://www.slowjuicer.com/slowjuicer-4.html.

http://usa.hurom.com/juicing-technology.

Packaging for HH-WBB07 Premium Slow Juicer / Smoothie Maker.

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SQUIRE, SANDERS (US) LLP 555 South Flower Street, 31st Floor Los Angeles, CA 90071 than other types depending on the fruit or vegetable being juiced. Nonetheless, any such differences are marginal at best and are not significant, being nowhere near the 35% difference claimed by Hurom.

41. Breville is informed and believes that Hurom intentionally misrepresents its juice yield in order to divert sales away from typical centrifugal juicers while justifying the substantially higher retail price charged for the Hurom Slow Juicers compared to typical centrifugal juicers.

FIRST CLAIM FOR RELIEF

VIOLATIONS OF SECTION 43(A) OF THE LANHAM ACT – FALSE ADVERTISING AGAINST ALL DEFENDANTS

- 42. Plaintiffs reallege and incorporate by this reference each and every allegation contained in paragraphs 1 through 41 above as if set forth in full here.
- 43. Hurom has made and continues to make literally false and/or misleading representations of fact in their advertising and/or promotion in commerce regarding the Hurom Slow Juicers. Hurom has acted in concert in carrying out this scheme to falsely and misleadingly advertise the qualities of the Hurom Slow Juicers, and each of Hurom Korea, Hurom USA, Hurom America and Roland have also separately engaged in conduct in furtherance of their common plan and scheme to mislead consumers. These defendants have individually and collectively assisted in, authorized, participated, ratified and adopted the advertising campaign, with the anticipation and knowledge that such marketing efforts are false and misleading.
- 44. As detailed above, Hurom has repeatedly and consistently advertised Hurom Slow Juicers as superior to other juicers because they purportedly produce juice with more vitamins, minerals, enzymes and phytonutrients than juice made with other types of juicers. These advertisements are either literally false or misleading.

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- 45. Hurom has repeatedly advertised Hurom Slow Juicers as superior to centrifugal juicers because centrifugal juicers somehow destroy nutrients in juice either through oxidation or "frictional heat." These advertisements are either literally false or misleading because there is no conclusive evidence that centrifugal juicers damage nutrients or cause oxidation at a level significantly different from the Hurom Slow Juicers.
- 46. Hurom has repeatedly and consistently advertised to consumers that the Hurom Slow Juicers extract juice more quickly than competing juicers. These advertisements are either literally false or misleading because juice extraction rates are often better or comparable using a centrifugal juicer.
- 47. Hurom has repeatedly and consistently advertised to consumers that the Hurom Slow Juicers produce "35% more" juice than other juicers, that it produces "significantly more juice" than other juicers and that it produces "the most juice." These advertisements are either literally false or misleading as the yield of most fruits is comparable whether one is using one of the Hurom Slow Juicers or a centrifugal juicer.
- 48. Hurom has engaged in the false advertising detailed above with the knowledge or in reckless disregard of the fact that such claims are literally false or misleading, because Hurom is more concerned with obtaining any competitive advantage—even one that is illegal and unfair—against manufacturers and distributors of other types of juicers, including Breville and its market leading Juice Fountain® line of centrifugal juicers.
- 49. Hurom's literally false and/or misleading representations of fact violate Section 43(a) of the Lanham Act (15 U.S.C. §1125(a)). Hurom has made and is making these false and/or misleading representations of fact in interstate commercial advertising and/or promotion—in this District and elsewhere—and the effects of Hurom's acts throughout the United States are intended to effect the market in this District and elsewhere.

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- 50. As a result of the foregoing, Breville has been or is likely to be damaged in an amount that will be ascertained according to proof. For their part, the Hurom defendants have unfairly realized, retained or gained through their unlawful conduct profits from the sale of the Hurom Slow Juicers in this country that should be disgorged.
- 51. Because Hurom has made and continues to make literally false and/or misleading representations of fact about the Hurom Slow Juicers in—at best reckless and at worst intentional—disregard of their falsity and/or misleading nature, Breville is entitled to an award of enhanced damages under Section 35(a) of the Lanham Act (15 U.S.C. §1117(a)). Moreover, this is an exceptional case for which the Court should award Breville its reasonable attorneys' fees.
- 52. Hurom's activities have caused and will cause irreparable harm to Breville for which there is no adequate remedy at law. In particular, Hurom's past and continuing false and/or misleading representations of fact, as alleged above, are causing irreparable harm, continuing to the foreseeable future, and are a serious and unmitigated hardship. Breville will continue to suffer irreparable injury to its goodwill, rights and businesses unless and until Hurom and any others in active concert with it are enjoined from continuing their wrongful acts.

SECOND CLAIM FOR RELIEF

VIOLATIONS OF CALIFORNIA BUS. & PROF. CODE §17500 ET SEQ. --CALIFORNIA FALSE ADVERTISING LAW AGAINST ALL DEFENDANTS

- 53. Breville realleges and incorporates by this reference each and every allegation contained in paragraphs 1 through 52 above as if set forth in full here.
- 54. Through their various advertisements, as detailed above, Hurom has made or disseminated, or caused to be made or disseminated, false or misleading representations of fact regarding the Hurom Slow Juicers in violation of Cal. Bus. & Prof. Code Section 17500 et seq.

- 55. Hurom has engaged in these unfair, unlawful, and deceptive activities within the State of California.
- 56. Hurom's false and misleading statements are material to all consumers of fruit and vegetable juicers (including both the retail and online outlets that resell juicers to the consuming public and those members of the consuming public that are the ultimate end-users) and are likely to influence—and have influenced—their decisions of which fruit or vegetable juicer to purchase. False statements, express or implied, that the Hurom Slow Juicers deliver nutritionally superior juice than competing juicers, juice more quickly than competing juicers and produce significantly more juice are likely to deceive a substantial segment of consumers who are considering a purchase of a fruit or vegetable juicer.
- 57. As a direct and proximate result of Hurom's wrongful acts, Breville has suffered an injury-in-fact, having lost sales of its centrifugal juicer products to Hurom.
- 58. Hurom's activities have caused and will cause irreparable harm to Breville for which it has no adequate remedy at law. In particular, Hurom's past and continuing false and/or misleading representations of fact, as alleged above, are causing irreparable harm, continuing to the foreseeable future, and are a serious and unmitigated hardship. Breville will continue to suffer irreparable injury to its goodwill, rights and businesses unless and until Hurom and any others in active concert with Hurom are enjoined from continuing its wrongful acts.

PRAYER

WHEREFORE, Breville prays for judgment against Hurom, and each of Hurom Korea, Hurom USA, Hurom America and Roland, as follows:

- a. That the Court enjoin Hurom from continuing to make false and/or misleading representations of fact about the Hurom Slow Juicers;
- b. That Hurom pay Breville its damages for the harms it has suffered and continue to suffer as a result of Hurom's false and/or misleading advertising,

promotion and/or marketing, reflecting a disgorgement of illicit gains from such 1 2 advertising, promotion and/or marketing, and providing a corrective advertising award as permitted by law; 3 That this Court award Breville three times any damages award 4 c. 5 pursuant to 15 U.S.C. §1117; That this case be found to be exceptional within the meaning of 15 d. 6 7 U.S.C. §1117; 8 That the Court award Breville its costs and expenses of suit, including e. all reasonable attorneys' fees they have incurred and will incur in this matter; 9 10 f. That the Court award Breville prejudgment and post-judgment interest; 11 and That the Court grant Breville such other and further relief as the Court 12 g. deems just and proper. 13 14 **DEMAND FOR JURY TRIAL** 15 Breville hereby demands a trial by jury as to all issues so triable. 16 November 8, 2013 Respectfully submitted, 17 SQUIRE SANDERS (US) LLP 18 19 By: Adam R. Fox 20 Joseph A. Meckes 21 Thomas E. Gaynor Attorneys for Plaintiff 22 Breville USA, Inc. 23 24 25 26 27 28

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